

Annual Report, 1981

Division of Insurance

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APPROVED BY John J. Manton, State Purchasing Agent



The Commissioner of Insurance is pleased to report to the Governor and to the Great and General Court of the Commonwealth the official transactions of the Division of Insurance for the year 1981 as required by M.G.L. Chapter 175, Section 17.

Michael J. Sabbagh
Commissioner of Insurance

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The first part of the chapter discusses the importance of maintaining accurate records of all transactions. This is essential for the proper management of the business and for the preparation of financial statements. The second part of the chapter discusses the various methods of accounting for the different types of assets and liabilities. The third part of the chapter discusses the various methods of accounting for the different types of income and expenses. The fourth part of the chapter discusses the various methods of accounting for the different types of equity accounts. The fifth part of the chapter discusses the various methods of accounting for the different types of debt accounts. The sixth part of the chapter discusses the various methods of accounting for the different types of contra accounts. The seventh part of the chapter discusses the various methods of accounting for the different types of adjusting entries. The eighth part of the chapter discusses the various methods of accounting for the different types of closing entries. The ninth part of the chapter discusses the various methods of accounting for the different types of financial statements. The tenth part of the chapter discusses the various methods of accounting for the different types of internal controls. The eleventh part of the chapter discusses the various methods of accounting for the different types of tax accounting. The twelfth part of the chapter discusses the various methods of accounting for the different types of international accounting. The thirteenth part of the chapter discusses the various methods of accounting for the different types of computerized accounting. The fourteenth part of the chapter discusses the various methods of accounting for the different types of environmental accounting. The fifteenth part of the chapter discusses the various methods of accounting for the different types of social accounting. The sixteenth part of the chapter discusses the various methods of accounting for the different types of sustainability accounting. The seventeenth part of the chapter discusses the various methods of accounting for the different types of corporate governance accounting. The eighteenth part of the chapter discusses the various methods of accounting for the different types of stakeholder accounting. The nineteenth part of the chapter discusses the various methods of accounting for the different types of value-based accounting. The twentieth part of the chapter discusses the various methods of accounting for the different types of integrated accounting. The twenty-first part of the chapter discusses the various methods of accounting for the different types of balanced scorecard accounting. The twenty-second part of the chapter discusses the various methods of accounting for the different types of performance accounting. The twenty-third part of the chapter discusses the various methods of accounting for the different types of risk accounting. The twenty-fourth part of the chapter discusses the various methods of accounting for the different types of compliance accounting. The twenty-fifth part of the chapter discusses the various methods of accounting for the different types of ethical accounting. The twenty-sixth part of the chapter discusses the various methods of accounting for the different types of legal accounting. The twenty-seventh part of the chapter discusses the various methods of accounting for the different types of regulatory accounting. The twenty-eighth part of the chapter discusses the various methods of accounting for the different types of industry accounting. The twenty-ninth part of the chapter discusses the various methods of accounting for the different types of regional accounting. The thirtieth part of the chapter discusses the various methods of accounting for the different types of global accounting. The thirty-first part of the chapter discusses the various methods of accounting for the different types of cross-border accounting. The thirty-second part of the chapter discusses the various methods of accounting for the different types of multi-national accounting. The thirty-third part of the chapter discusses the various methods of accounting for the different types of trans-national accounting. The thirty-fourth part of the chapter discusses the various methods of accounting for the different types of supra-national accounting. The thirty-fifth part of the chapter discusses the various methods of accounting for the different types of inter-national accounting. The thirty-sixth part of the chapter discusses the various methods of accounting for the different types of intra-national accounting. The thirty-seventh part of the chapter discusses the various methods of accounting for the different types of sub-national accounting. The thirty-eighth part of the chapter discusses the various methods of accounting for the different types of local accounting. The thirty-ninth part of the chapter discusses the various methods of accounting for the different types of regional accounting. The fortieth part of the chapter discusses the various methods of accounting for the different types of global accounting. The forty-first part of the chapter discusses the various methods of accounting for the different types of cross-border accounting. The forty-second part of the chapter discusses the various methods of accounting for the different types of multi-national accounting. The forty-third part of the chapter discusses the various methods of accounting for the different types of trans-national accounting. 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HIGHLIGHTS

The following items made a significant impact upon both consumer and industry interests in the Commonwealth.

I. Insurance Adviser

A new consumer education publication entitled, "THE INSURANCE ADVISER" has been developed to keep the public informed about certain insurance issues. This publication covers timely topics of interest to the insurance consumer.

II. Procedures Concerning Motor Vehicle Insurance Rates

A new regulation governs the format and content of auto insurance rate filings for commercial vehicles. This regulation improves Departmental efficiency and accuracy in the review of competitive rate filings for this class of business.

III. Regulation on the Appraisal and Repair of Damaged Motor Vehicles

This regulation was amended to ease insurance company compliance with the standards governing appraisal and claim settlement practices. Unnecessary and administratively cumbersome controls were removed from the regulation to promote efficiency and uniformity among insurers.

IV. Fire Insurance Applications

A new application and instructions were promulgated to implement the law designed to fight arson. A mandatory application was developed for use by insurance companies to disclose pertinent information about the ownership, mortgage status, tax delinquency and other similar facts which will aid insurance companies in their claim settlement practices.

V. Standard Merit Rating Plan

This regulation was revised to add further disincentives for bad driving habits. The principal change eliminated the 3 year payment schedule for surcharges; surcharges are now payable in the first year of billing. Thus, the penalty for repeated convictions of moving violations and at fault accidents is more immediate.

VI. Blue Cross/Blue Shield Medex Rate Filing

Blue Cross/Blue Shield, of Massachusetts proposed revising Medex rates upwards some 13.5% as of April 1, 1981. Medex coverage is available for the most part to the older residents - those 65 years of age or older who supplement their Federal Medicare benefits with additional insurance not covered by their Social Security retirement program. The rate filing was found to be deficient in that not all the pertinent factors which would have affected the experience for this class of business was treated consistently by the filer. By deviating too frequently from accepted actuarial methodology, it was found that the judgmental selections were not impartial but rather leaned more often than not to the high side. As a result, the increase was disapproved because the resulting rates were considered too high to be reasonable.

Subsequently, Blue Cross/Blue Shield revised its original filing consistent with the findings made in connection with its first request. This time, the filer requested an increase of 7.5%. After an examination of the filing by all interested parties, there was agreement that the new filing had corrected all of the previous criticisms. New rates reflecting a 7.5% increase were effective April 1, 1981.

VII. Budgetary Constraints

Lay-off

In October of 1981 the Division of Insurance was forced by budgetary cut back to lay off thirty two (32) employees. The lay-off affected two classifications of positions - Senior Insurance Examiners and Insurance Examiners, and primarily affected the overall productivity of the Consumer Service and Field Audit Sections of the Division.

Relocations

1. Board of Appeal

In November of 1981 the Commissioner of Insurance began planning the relocation of the Board of Appeal on Motor Vehicle Policies and Bonds. For approximately, five years the Board was located at 150 Causeway St. in Boston which cost the Commonwealth approximately \$36,000 per year in rental and electricity expenses. The relocation of the Board to our offices at 100 Cambridge St. in Boston was accomplished by the end of 1981 and resulted in approximately a 10% reduction in the cost of operating the Board.

2. Springfield Office

In late 1981, again due to severe funding problems that faced all state agencies, the Division's satellite office in Springfield had to be closed and some of its personnel reassigned to Government Center. This closing and relocation caused some trying transportation problems for personnel living in the western part of the state who had to commute to Boston on a daily round trip basis. The overall effect however, was a substantial expense savings that saved jobs for the Division.

LAWS, REGULATIONS AND DECISIONS

LAWS

- Chap. 63 - an act providing exemption relative to fire insurance requirements at certain college residence halls and dormitories.
- Chap. 112 - an act facilitating the timely transmittal of funds withheld from teacher's pay checks.
- Chap. 169 - an act relative to the notification of certain persons in the event of lapse of certain insurance policies.
- Chap. 173 - an act allowing certain motor vehicle policies to be written for a period of less than one year.
- Chap. 271 - an act relative to notification of certain health insurance coverage to employees of local government units.
- Chap. 272 - an act relative to the procedures for establishing premium rates for dental service benefit plans.
- Chap. 274 - an act increasing the amount of dividends certain mutual companies may pay.
- Chap. 283 - an act authorizing loans by insurance companies of up to ninety percent on certain residential properties.
- Chap. 284 - an act relative to the computation of rebates in certain consumer credit transactions including credit life insurance.
- Chap. 287 - an act regulating interest rates on life insurance policy loans.
- Chap. 308 - an act further regulating applications for insurance against loss or damage to a building by fire.
- Chap. 329 - an act prohibiting insurance companies from discriminating against blind or physically disabled persons in the sale of certain policies.
- Chap. 335 - an act relative to out-patient benefits payable under certain policies of insurance covering mental health.
- Chap. 351 - an act concerning disposition of proceeds from insurance presumed abandoned after 5 years.
- Chap. 392 - an act relative to continuation of insurance coverages of certain public officers and employees after involuntary termination of employment.

- Chap. 422 - an act relative to limitations inapplicable to investment of assets in separate accounts of life insurance companies.
- Chap. 428 - an act providing for the attachment of group annuity contract benefits and the assignment of interest of group life policies to satisfy certain family support obligations.
- Chap. 438 - an act relating to real estate investments by insurance companies.
- Chap. 607 - an act further regulating the information required on an insured's claim form for collision coverage.
- Chap. 637 - an act relative to wage deductions for insurance for certain public employees.
- Chap. 654 - an act relative to the payments of benefits for mental illness in certain medical service contracts.
- Chap. 718 - an act relative to certain provisions of the standard form of fire insurance policy.
- Chap. 723 - an act relative to certain public employee wage deductions for insurance.
- Chap. 731 - an act further regulating public employees deferred compensation programs.
- Chap. 735 - an act amending the law providing for continuing health insurance coverage for divorced or separated spouses.
- Chap. 771 - an act requiring fire and casualty companies to attach a printed notice to all policies explaining reductions or eliminations made in coverages, conditions or definitions.
- Chap. 781 - an act providing tax exemption for public employee retirement system investments in investment contracts of insurance companies.
- Chap. 797 - an act authorizing the insurance commissioner to make certain assessments against insurance companies.

REGULATIONS

- 211 CMR 79.00 Standard Merit Rating Plan
- 211 CMR 89.00 Regulation Concerning the Appraisal and Repair of Damaged Motor
- 211 CMR 91.00 A Regulation Governing Certain Procedures Concerning Motor Vehicle Insurance Rates
- 211 CMR 100.00 Disability Retirement Allowances.

Decisions

Docket

81-1-1	Order relating to a revision of the filing of Blue Cross/ Blue Shield of Massachusetts, Inc. for an increase in rates.
81-5-5	Stipulation of dismissal pursuant to Mass. R. Civ. Proc. Rule 41(a)(1)(ii) regarding Snapper v. Pollack, et. al.
R81-5-1	Decision and Order concerning proposed changes to Rules 2, 10, 14, and 18 of the Massachusetts Motor Vehicle Reinsurance Facility Rules and Regulations.
A81-1-5	Decision on motions filed regarding Sidney Goldman d/b/a Bay Harbour Insurance Agency v. Allstate Insurance Company, et al.
R81-5-3	Decision relative to the operation of competition among motor vehicle insurers.
81-8-3	Appeal of the ruling of the Massachusetts Motor Vehicle Rein- surance Facility Governing Committee by Dominick M. Cirino.
R81-8-5	Amendment to Rule 18 of the Facility Rules of Operation concerning the subject of "Service Fees."
81-7-6	Findings and Decision in the matter of acquisition of control of Massachusetts General Life Insurance Company by American Commonwealth Financial Corporation.
81-2-4	Decision by Commissioner on appeal by Massachusetts Reinsurance Facility regarding Twinbrook Insurance Agency, Inc.
R81-4-3	Decision on Medical Malpractice insurance rates.
R81-7-5	Opinion, Finding and Decision relative to territories for automobile insurance.
R81-5-3	Opinion, Findings and Decision on 1982 automobile insurance rates.
R81-10-1	Decision and Order concerning application of Blue Cross/Blue Shield of Massachusetts Inc., for approval of proposed quarterly non-group rates.
80-11-7	Supplementary Findings and Decision in the matter of acquisition of control of United Educators, Inc. by U E Holding Corporation

Consent Orders

E81-1-4 Re: Dorothy V. Lewarne - Revocation of license to do any insurance business in Massachusetts

E80-11-6 Re: Frederick S. Raskin - Six month suspension of all licenses.

E81-1-8 Re: Gilbert M. Becker - Revocation of license to do any insurance business in Massachusetts.

E81-2-3 Re: A. Bruce Gage - Revocation of license to do any insurance business in Massachusetts.

81-5-3 Re: Richard Lagarde - Revocation of license to do any insurance business in Massachusetts.

E81-4-1 Re: Gerald F. O'Leary - Revocation of license to do any insurance business in Massachusetts.

E81-4-2 Re: Robert K. Berman - Revocation of license to do any insurance business in Massachusetts.

E81-1-7 Re: Ronald F. Nydam - Revocation of license to do any insurance business in Massachusetts.

E81-2-1 Re: Moses Grice - Ordered to refrain from employing or accepting the services of Ronald L. Richardson whose insurance licenses were revoked.

81-5-4 Re: Arthur L. Grant, Jr. - Surrendered all licenses to do any insurance business in Massachusetts.

E80-10-1 Re: Robert A. Hubbard - Revocation of license to do any insurance business in Massachusetts.

E81-6-22 Re: Michael S. Smith - Before conducting any insurance business in Massachusetts, respondent agrees to give Commissioner of Insurance 30 days prior written notice.

E81-5-2 Re: Brian L. Cooper - Revocation of license to do any insurance business in Massachusetts.

E81-7-4 Re: Robert P. Whitten - Brokers license granted for initial 3 year period pursuant to consent agreement terms and conditions.

E81-1-6 Re: Roy A. Dart, Jr. - Revocation of license to do any insurance business in Massachusetts.

E80-12-1 Re: The R. Whitcomb Blakeley Insurance Agency, Inc., and R. Whitcomb Blakeley - All licenses revoked and \$4,000 fine.

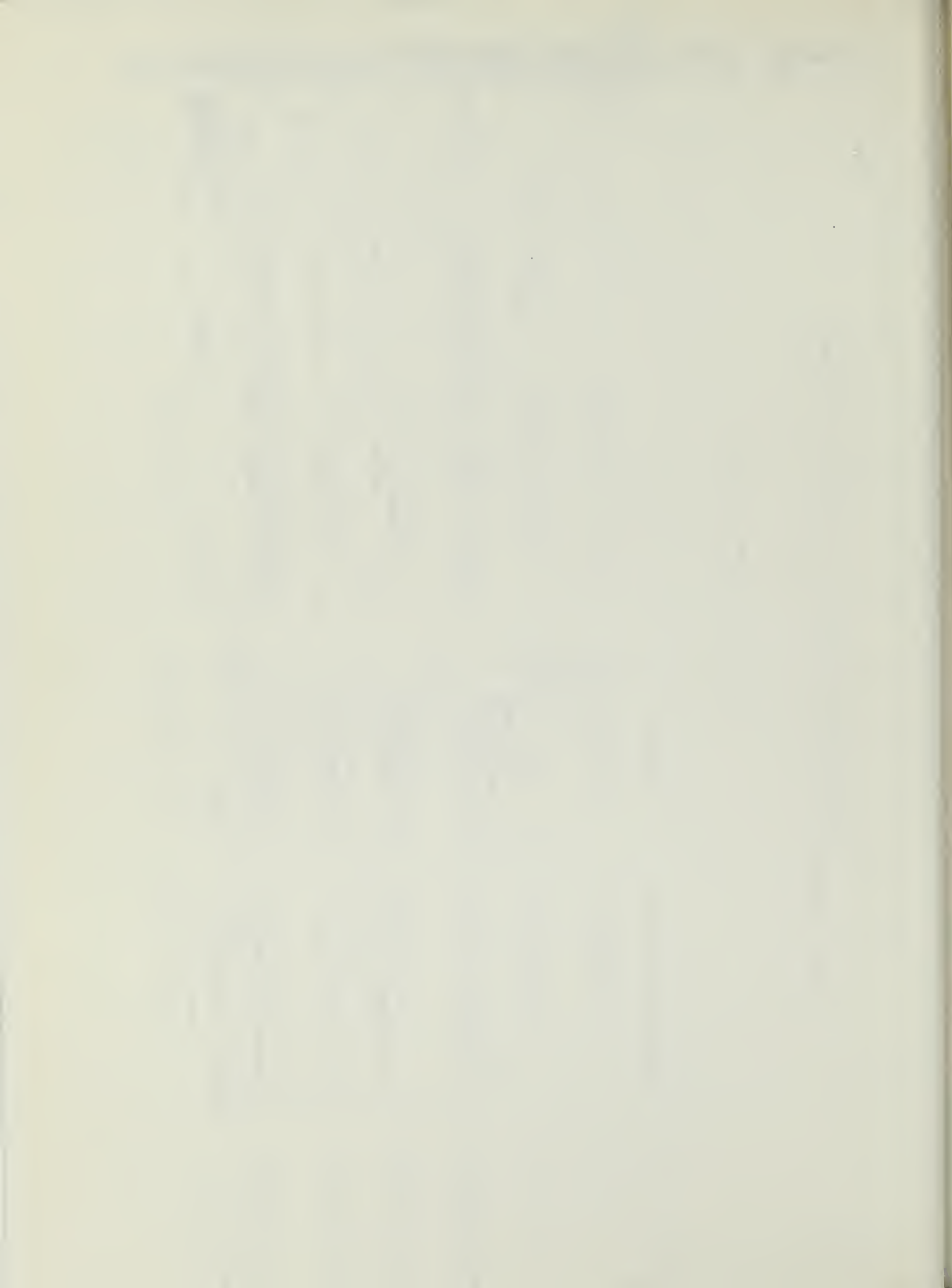
SCHEDULE OF COMPANIES IN RECEIVERSHIP

<u>Date of Receivership</u>	<u>Company</u>	<u>Receiver</u>	<u>Counsel</u>	<u>Last Date of Accounts</u>	<u>S.J.C. Docket</u>
12/17/64	Suffolk Insurance Company	Joseph Ciccio, Deputy Commissioner	James Brown, Esq. 1 Post Office Sq. (482-1390)	Allowed by S.J.C. 2/17/81	Civil #75-61
06/21/74	Rockland Mutual Insurance Company	Michael J. Sabbagh Commissioner	Edward T. Dangel, Esq. 60 State Street (227-8200)	Allowed by S.J.C. 7/10/79	Civil #74-113
12/04/74	Associated Merchants Mutual Insurance Co.	Joseph Ciccio, Deputy Commissioner	Refer inquiries to Commissioner of Insurance	None as of 12/31/81 *	Civil #74-178
02/20/75	Summit Insurance Co. of New York	Michael J. Sabbagh Commissioner	E.F. Fleming, Esq. 31 Milk Street (723-2010)	Interim Account Ernst & Whinney 5/1/79-8/29/79	Civil #75-61
06/03/76	Puritan Marine Ins. Underwriters Inc.	Michael J. Sabbagh Commissioner	Michael S. Field 27 State Street (227-9296)	Field & Schultz 11/20/81	Civil #76-176
11/22/76	Century Fire & Marine	Michael J. Sabbagh Commissioner	Phillip A. Mason Sears Crescent Bldg. Government Ctr. (742-7020)	Interim Account Peat, Marwath, Mitchell & Company	Civil #76-491
10/31/77	Empire Mutual	Michael J. Sabbagh Commissioner	David Lipton, Esq. 10 Post Office Sq. (451-0670)	Interim Account Ernst & Whinney	Civil #77-420

<u>Date of Receivership</u>	<u>Company</u>	<u>Receiver</u>	<u>Counsel</u>	<u>Last Date of Accounts</u>	<u>S.I.C. Doc Ref</u>
02/26/79	Consolidated Mutual Insurance Company	Robert J. Kelly Director Financial Surveillance	John T. Dalry 73 Tremont Street (227-3600)	None as of 12/31/81 *	Civil #79-45
02/26/79	American Reserve	Michael J. Sabbagh Commissioner	Refer Inquiries to Commissioner of Insurance	None as of 12/31/81 *	Civil #79-337
02/26/79	Reserve Insurance	Michael J. Sabbagh Commissioner	Refer Inquiries to Commissioner of Insurance	None as of 12/31/81 *	Civil #79-337
**04/15/81	Cosmopolitan Mutual Insurance Company	Michael J. Sabbagh Commissioner	Refer Inquiries to Commissioner of Insurance	None as of 12/31/81 *	Civil #81-103

* Procedures for annual accounting were established by the Commissioner of Insurance in July 1982 to be effective at end of FY 83.

** Added to list 1981



SECTIONAL SUMMARY

ADMINISTRATION

The Administration section provides services such as; payroll, personnel, budget, revenue receipt, accounting, purchasing, and data processing to the Division of Insurance and the Board of Appeal on Motor Vehicle Liability policies and Bonds.

Departmental revenue and expenditures for the most recent four year fiscal period, and the average number of employees for the four most recent calendar years are:

<u>Year</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Average Number Employees</u>
(7/1-6/30)			
*1981	\$8,193,176	\$3,339,205	166**
1980	7,863,697	3,697,675	185
1979	7,131,152	3,712,000	193
1978	5,852,857	3,911,477	233

*The fiscal '81 revenue amount of \$8,193,176 includes assessments established by law of \$2,406,063.96 levied against insurance companies in 1981 for the "FY80" operating expenses of the following Agencies and Commissions:

Fire Fighting Academy.....	\$ 485,131.70
Merit Rating Board.....	1,214,168.96
Attorney General/Consumer Division.....	155,139.18
State Rating Bureau.....	418,875.30
Medical Malpractice Commission.....	101,571.14
Special Commission on Automobile Insurance.....	<u>31,177.68</u>
	2,406,063.96

**In October of 1981 thirty two (32) employees had to be laid off to comply with budgetary constraints. Thus, the actual number of employees at year end was one hundred and thirty-three (133).

CONSUMER SERVICE

This section was involved with over 7500 cases during the year which were brought to the attention of the Division by consumers. Examiners assigned to the section classified each case and assisted in its resolution as indicated in the summary which follows. The consumer obtained a favorable result in more than 3,500 cases. Some 2,200 alleged complaints were found either groundless or beyond the jurisdiction of the Division. In addition, the section's examiners responded to more than 1700 informational requests from consumers. Consumers were indemnified by an additional \$741,590 for losses covered by their policies through the efforts of the section.

CHART I - RELIEF BY NUMBER OF CASES

Disposition	Line of Insurance					Total
	Auto	Homeowners	Life	Health	Other	
Additional Money Recieved	305	38	8	53	9	413
Cancellation Withdrawal	113	18	5	18	2	156
Policy Renewal	3	4	5	4	1	17
Premium Refunded	138	44	55	32	14	283
Premium Problem Resolved	145	14	44	13	11	227
Claim Paid	837	98	52	242	34	1263
Coverage Extended	66	10	11	49	5	141
Referral to Proper Agency	49	2	4	15	9	79
Other	<u>527</u>	<u>87</u>	<u>157</u>	<u>153</u>	<u>69</u>	<u>993</u>
Relief	2183	315	341	579	154	3572

CHART II - NO RELIEF/BY NUMBER OF CASES

Line of Insurance

Disposition	Auto	Homeowners	Life	Health	Other	Total
Question of Fact	271	36	34	44	32	417
Jurisdiction	64	11	2	15	6	98
Not Retained	51	10	4	9	10	84
Arbitration	75	20	0	1	0	96
Comparative Negligence	44	1	0	1	1	47
Rescission	149	15	1	21	6	192
Unheld						
Non-Renewal	4	8	1	4	0	17
Unheld						
Premium Correct	90	25	16	26	11	170
Paid Correctly	313	26	14	85	7	445
Unpaid						
Claims Denied	234	75	11	132	20	472
Improperly						
Other	<u>84</u>	<u>19</u>	<u>29</u>	<u>27</u>	<u>11</u>	<u>170</u>
Relief	1379	246	112	365	104	<u>2208</u>
No Relief and No Relief						5780
Miscellaneous						<u>1735</u>
						<u>7515</u>

FINANCIAL SURVEILLANCE

The Financial Surveillance Section was established as a result of a recommendation by the National Association of Insurance Commissioners to protect against insolvencies. In keeping with this goal the section reviewed the annual statements of over 800 insurance companies authorized or licensed to do business in the Commonwealth. These companies collected in excess of \$4.5 billion in premium from Massachusetts policyholders during the year. During 1981, 72 companies were monitored on a quarterly basis and 8 companies were monitored on a monthly basis.

This section reviewed the audit reports required by Regulation 211 CMR 91.00 "Audits of Insurers by Independent Certified Public Accountants".

The Health Maintenance Organizations licensed in the Commonwealth must also file financial reports which receive comparable attention.

Company licensing is also an integral part of this section. All admissions, renewals of licenses, mergers of companies, name changes, fee payments and corporate changes were administered here.

The statistics for statutory assessments against the companies were collected for calculation.

LEGAL

The Legal Section prosecuted 31 administrative cases against companies, agents, brokers, and motor vehicle damage appraisers. These actions sought the suspension or revocation of licenses and the imposition of monetary penalties. The attorneys also represented the Division at other types of administrative hearings (i.e. rules and regulations).

The section referred 10 civil and criminal cases to other law enforcement agencies; and further assisted in those cases where the Commissioner

was a named defendant.

A substantial portion of the section's time was devoted to counselling other sections of the Division. A variety of inquiries from companies, agents and brokers, the public, and governmental agencies were referred to the section for response.

LICENSING

Agents/Brokers and Others - This section continued the maintenance of records of agents, brokers, special brokers, insurance advisers and fire loss adjusters and for corporations and partnerships.

Testing for licensure was done by Educational Testing Service of Princeton, New Jersey, under contract with the Division. Applicants for Insurance Advisers and Fire Loss Adjusters were tested by the Division.

In 1981, 22,490 new applications for agents and brokers licenses were issued; and 82,104 agents licenses were renewed; 13,513 agents licenses were cancelled. Also, a total of 216 new Fraternal Agents licenses were issued.

The number of other licenses processed during the year are shown below:

Individual and Trade names - renewal and new licenses issued	10,047
Corporation licenses renewed	1,430
Special Brokers licenses renewed and new licenses issued	246
Partnership licenses issued or renewed	261
Insurance Advisers licenses issued or renewed	318
Fire Loss Adjusters licenses issued or renewed	66

Educational Testing Service (E.T.S.)

E.T.S. exams recorded the following results:

<u>Type of Exam</u>	<u>No. Taken</u>	<u>No. Passed</u>	<u>No. Failed</u>	<u>% Passed</u>
Life	2,379	1,067	1,312	45%
Accident & Health	2,357	1,327	1,030	56%
Property	1,266	749	517	59%
Casualty	1,380	725	655	53%
Totals	<u>7,782</u>	<u>3,868</u>	<u>3,514</u>	<u>53%</u>

Motor Vehicle Damage Appraisers - This section is responsible for the testing and licensing of all applicants for Motor Vehicle Damage Appraisers licenses.

During 1981, 645 tests were administered and 520 new licenses were issued. As of December 31, 1981 there were approximately 7,000 licensed Motor Vehicle Damage Appraisers.

Section 113M of Chapter 175 originally authorized the existence of this section within the Division but the law was repealed in 1981. Chapter 775 of the Acts and Resolves of 1981 created a new Auto Damage Appraisers licensing Board outside the regulatory authority of the Commissioner of Insurance.

EXAMINATIONS

Agents & Brokers - This Section is responsible for the financial examination of insurance agencies, the investigation of complaints as assigned, the license review of applicants for designated broker status, the collection of the 4% tax on all surplus lines business placed by special brokers; and the collection of license fees from Automobile Clubs licensed by the Division.

The projects completed by this section are:

Agency Examinations	122
Insurance Matters Investigated (complaints)	38
Auto Club License Fees Collected (FY81)	\$14,535
Facility Applicants Licenses Reviewed	202
*4% Surplus Lines Premium Tax Collected	\$2,044,101

*This represents an increase of \$104,182 over 1980 and was collected from 305 Special Brokers.

Agencies Examined

Harold L. Mottard Insurance Agency
Roxbury, MA

N. Pingree Insurance Inc.
Haverhill, MA

Thomas Minichello Insurance Agency
Haverhill, MA

Beverly Bouchard Insurance Agency
Haverhill, MA

Bedard & Michaud Insurance Agency
Lawrence, MA

Brighton Insurance Agency
Brighton, MA

Cecil Marchione Insurance Agency
Somerville, MA

Triangle New England
Lowell, MA

H.T. Bailey Insurance Co.
Boston, MA

John E. McDonald & Son
Springfield, MA

A.G. Gibeau Insurance Agency
Lawrence, MA

J.J. Bodner Insurance Agency
Watertown, MA

Hutch Insurance Agency
Brighton, MA

Thomas Coughlin Insurance Agency
Cambridge, MA

Insurance by Fisher
Brookline, MA

Greater Lawrence Insurance Agency
Lawrence, MA

Agencies Examined (cont'd)

Coolidge Associates Watertown, MA	Angelo Boncore, Insurance Medford, MA
Thomas Cappadona Insurance Agency Waltham, MA	Harry Beder, Insurance Malden, MA
Kline Insurance Agency Waltham, MA	Nicholas E. Catino Medford, MA
Merrimac Valley Insurance Agency Billerica, MA	Andrew H. Creen, Insurance Worcester, MA
Vaughan and Baldwin, Inc. Burlington, MA	William Collins, Insurance Dorchester, MA
B&M Insurance Agency, Inc. Waltham, MA	Melvin Convicer Chelsea, MA
Wallace Insurance Agency Waltham, MA	Evernowski Insurance Agency Worcester, MA
Downtown Insurance Agency Lawrence, MA	Rea Harkins, Insurance Malden, MA
Warren Sinclair Insurance Agency Waltham, MA	John B. Corey Insurance Agency Everett, MA
Zaharris Insurance Agency Malden, MA	Norcia Insurance Agency Everett, MA
Compagna Insurance Agency Lawrence, MA	New Main Street Insurance Agency Worcester, MA
Shawn Bercury, Inc. Newton, MA	Giganti Insurance Agency Everett, MA
Galante Insurance Agency Cambridge, MA	Ahmed Insurance Agency, Inc. Salem, MA
Anawan Insurance Agency W. Roxbury, MA	Gilberg Insurance Agency Melrose, MA
Gange Insurance Agency, Inc. Newton Center, MA	James Gilbert Insurance Agency Melrose, MA
Barry & Farrell, Inc. Needham, MA	A.B.S. Insurance Agency Swampscott, MA
Edwin C. Lucey, Insurance Malden, MA	Benjamin E. Gallant Insurance West Newton, MA
Robert Stillman Dorchester, MA	Cape and Islands Insurance, Inc. Sandwich, MA

Agencies Examined (cont'd)

Burke Insurance Agency
(Hofman Insurance Agency Inc)
Brookline, MA

Hilda Bohn Insurance Agency
Needham, MA

John J. Honan
Lowell, MA

Alan Hoffman
Brookline, MA

David Strong
Reading, MA

Marvin S. Kaplan
Brookline, MA

Avaras Insurance Agency
Lowell, MA

Simon Kaplan, Inc.
Brookline, MA

Louis J. Kirsh, III
Waltham, MA

Richard Jones Insurance
Paxton, MA

Vito Virzi
Worcester, MA

Gould & Son, Inc.
Chelsea, MA

J & B Insurance Agency
Chelsea, MA

Handfield Insurance
Worcester, MA

Francis X. Kearns
So. Boston, MA

Aljane Insurance Inc.
Medford, MA

Bernard R. Conte Insurance
Paxton, MA

Jack Chekijian Insurance
Peabody, MA

William Mullang
Peabody, MA

John J. Lamb
Hingham, MA

Don Silver Insurance
So. Lancaster, MA

Harris-Murtagh, Inc.
Peabody, MA

Mazow Insurance Agency
Charlestown, MA

Neil Lupardo Insurance
Cambridge, MA

Dee-McDonald Insurance
Waltham, MA

Ann M. McDonald
Newton, MA

McGunnigle Insurance Agency
Quincy, MA

Lawrence Costello, Insurance
Billerica, MA

John Marciello
Somerville, MA

Triple "L" Insurance Agency
Billerica, MA

Edward A. Sandler
Malden, MA

Frederick Tobman
Quincy, MA

Robert Shannon
Medford, MA

Michael J. Driscoll
Billerica, MA

Agencies Examined (cont'd)

Sanviti Insurance Agency
Everett, MA

James R. Kyle
Lexington, MA

Eastern Special Risks
Burlington, MA

Burr Insurance Agency
Worcester, MA

Francis C. Vita, Inc.
Medford, MA

John D. Walsh, Inc.
Pembroke, MA

N.B. Modugno
Lynn, MA

Norcross & Leighton
Lowell, MA

U.S. Insurance Agency
Winchester, MA

Butterfield Insurance Agency, Inc.
Kingston, MA

Fred B. Church, Inc.
Lowell, MA

J.W. Travers Insurance Agency, Inc.
Quincy, MA

Frank Baker Insurance Agency
Randolph, MA

Philip Bruns Insurance Agency, Inc.
Winthrop, MA

Atlantic General Insurance
Burlington, MA

David C. Wells Insurance Agency
Fitchburg, MA

Leon B. Kilgare
Lynn, MA

Walter E. Henry Insurance Agency
Holden, MA

Caddell & Byers
Lowell, MA

Montgomer & Collins, Inc.
Boston, MA

John H. Burke
Hude Park, MA

Edward Talbot Insurance Agency
Chelmsford, MA

Paul C. Bissett
Stoughton, MA

James L. Cooney
Lowell, MA

Picken Insurance Agency
No. Chelmsford, MA

Roy T. Johnson Insurance
Chelmsford, MA

Pacific Insurance Agency
Dorchester, MA

Robert R. Wilson Insurance Agency, Inc.
Chelmsford, MA

Bjorklund Insurance Agency
Milton, MA

Commercial Business Insurance, Inc.
Worcester, MA

Lenfest Insurance Agency
Chelmsford, MA

Samko and Long Insurance
Worcester, MA

Carvalo & Signoriello
Mansfield, MA

Wadleigh Insurance Agency
Worcester, MA

Richard George
Somerville, MA

LIFE INSURANCE COMPANY EXAMINATIONS COMPLETED

	<u>ASSETS</u>	<u>LIABILITIES</u>	<u>CAPITAL</u>	<u>UNASSIGNED SURPLUS</u>
COMPANIES EXAMINED AS OF 12/31/79				
LIFE OF AMERICA INSURANCE CORPORATION OF BOSTON	\$9,372,899	\$7,626,908	\$1,048,282	\$-1,386,529
MASSACHUSETTS INDEMNITY AND LIFE INSURANCE COMPANY	146,485,838	123,701,701	2,485,100	12,084,740
TOTALS	<u>\$155,858,737</u>	<u>\$131,328,609</u>	<u>\$3,533,382</u>	<u>\$10,698,211</u>
COMPANIES EXAMINED AS OF 12/31/80				
BOSTON MUTUAL LIFE INSURANCE CO.	\$164,432,645	\$152,241,534	-0-	\$11,191,109
PATRIOT GENERAL LIFE INSURANCE CO.	17,914,706	10,892,468	\$1,000,000	6,022,238
TOTALS	<u>\$182,347,351</u>	<u>\$163,134,002</u>	<u>\$1,000,000</u>	<u>\$17,213,347</u>
EXAMINATIONS IN PROGRESS AS OF YEAR END				
LIBERTY LIFE ASSURANCE COMPANY OF BOSTON	\$104,625,840	\$84,938,583	\$1,100,000	\$12,209,499
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	8,340,825,060	7,925,642,253	-0-	385,318,807
NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY	6,314,817,282	5,978,300,202	-0-	335,137,080
TOTALS	<u>\$14,760,268,182</u>	<u>\$13,988,881,032</u>	<u>\$1,100,000</u>	<u>\$732,665,386</u>

Life Insurance Valuation Fees

The following schedule shows the valuation fees collected in 1981 on 1980 business. These fees are collected in accordance with Section 14, Chapter 175 of the Massachusetts General Laws.

In addition, the Valuation Unit, collected \$9,120 for certificates issued in connection with the valuation of life insurance company reserves.

AM Life Insurance	\$ 4,192.09
Assumption	729.49
Berkshire Life	11,324.31
Boston Mutual Life	24,148.90
John Hancock Mutual Life	552,772.11
John Hancock Variable	14.06
Liberty Life	18,912.47
Life of America	446.39
Mass. General Life	3,062.30
Mass. Indemnity and Life	24,546.95
Mass Mutual Life	209,042.10
Monarch Life	9,601.89
New England Mutual Life	129,129.95
Patriot General Life	1,623.12
Paul Revere Life	24,187.05
Paul Revere Variable	960.94
State Mutual Life	60,919.92
United Educators Life	<u>132.65</u>
TOTAL	<u>\$1,075,744.69</u>

PROPERTY AND CASUALTY INSURANCE COMPANY EXAMINATIONS COMPLETED

<u>COMPANIES EXAMINED AS OF 12/31/79</u>	<u>ASSETS</u>	<u>LIABILITIES</u>	<u>CAPITAL</u>	<u>UNASSIGNED SURPLUS</u>
ARROW MUTUAL LIABILITY INSURANCE COMPANY	\$9,057,240	\$6,341,908	-0-	\$2,861,999
BOSTON OLD COLONY	36,874,453	29,885,864	2,000,000	4,988,588
BAY STATE INSURANCE COMPANY	27,783,359	16,984,382	1,250,000	10,546,992
CAMBRIDGE MUTUAL FIRE INS. CO.	61,904,115	41,460,926	-0-	22,487,818
MASSACHUSETTS BAY INS. CO.	5,142,175	71,033	1,500,000	2,817,302
MERRIMACK MUTUAL FIRE INS. CO.	92,939,528	56,593,920	-0-	50,368,870
QUINCY MUTUAL FIRE INS. CO.	76,741,946	38,684,519	-0-	47,666,919
WORCESTER MUTUAL INS. CO.	40,738,950	23,910,484	-0-	16,935,445
T.H.E. INSURANCE COMPANY	6,071,398	1,625,777	500,350	165,882
COMMERCE INSURANCE COMPANY	16,503,236	10,591,669	1,500,000	3,126,245
AMERICAN POLICYHOLDERS INS.CO.	<u>39,247,027</u>	<u>34,116,639</u>	<u>1,575,000</u>	<u>3,532,510</u>
TOTALS	<u>\$970,140,427</u>	<u>\$260,267,121</u>	<u>\$8,375,350</u>	<u>\$165,498,569</u>
<u>COMPANIES EXAMINED AS OF 12/31/80</u>				
ATTLEBORO MUTUAL LIABILITY INSURANCE COMPANY	\$5,177,778	\$3,141,452	-0-	\$2,036,325
EASTERN CASUALTY INS. CO.	5,330,874	4,244,477	\$400,000	1,086,396
FITCHBURG FIRE INSURANCE CO.	14,781,761	8,796,591	-0-	5,985,170
NEW ENGLAND REINSURANCE CORP.	179,552,120	142,251,419	3,000,000	37,300,701
MIDDLETOWN MUTUAL FIRE INS. CO.	245,879	5,980	-0-	239,898

PROPERTY AND CASUALTY INSURANCE COMPANY EXAMINATIONS COMPLETED
(Continued)

IN PROGRESS AS OF YEAR END	ASSETS	LIABILITIES	CAPITAL	UNASSIGNED SURPLUS
LIBERTY MUTUAL INS. CO.	\$6,121,225,954	\$5,010,668,354	-0-	\$1,050,577,600
LIBERTY MUTUAL FIRE INS.CO.	638,795,214	551,980,921	-0-	131,814,293
LUMBER MUTUAL INSURANCE CO.	<u>51,334,863</u>	<u>34,684,032</u>	<u>-0-</u>	<u>17,605,831</u>
TOTALS	<u>\$6,856,356,031</u>	<u>\$5,657,333,307</u>	<u>-0-</u>	<u>\$1,199,997,724</u>

HEALTH INSURANCE COMPANY EXAMINATIONS

EXAMINATIONS IN PROGRESS AS OF YEAR END	ASSETS	LIABILITIES	CAPITAL	UNASSIGNED SURPLUS
BLUE CROSS OF MASSACHUSETTS	\$501,155,151	\$398,854,583	-0-	\$102,230,568
BLUE SHIELD OF MASSACHUSETTS	<u>205,821,730</u>	<u>145,391,807</u>	<u>-0-</u>	<u>60,429,923</u>
TOTALS	<u>\$706,976,881</u>	<u>\$544,426,390</u>	<u>-0-</u>	<u>\$162,730,491</u>

FRATERNAL ORGANIZATIONS EXAMINED

<u>LODGES</u>	<u>ASSETS</u>	<u>LIABILITIES</u>	<u>UNASSIGNED SURPLUS</u>
Catholic Association of Foresters	\$9,569,758	\$8,537,960	\$1,031,798

SOCIETIES NOT ON LODGE SYSTEM
(SECTION 45 Ch. 176 M.G.L.)

	<u>ASSETS</u>
Holyoke Firemen's Relief Association	\$30,087
Holyoke Police Relief Association	\$205,009
Independent Slovak Roman and Greek Catholic Society of St. Stephen	\$228,074
Andover Police Relief Association	\$121,317
Strathmore Beneficial Association	\$61,951

RETIREMENT SYSTEMS EXAMINED

<u>COUNTIES</u>	<u>ASSETS</u>	<u>SURPLUS</u>
Barnstable County	\$19,792,868	\$707,060
Bristol County	17,018,177	547,473
Dukes County	1,585,177	65,250
Hampshire County	9,189,673	339,218
Plymouth County	26,998,674	797,918
Worcester County	27,713,998	950,301

CITIES & TOWNS

Amesbury	\$ 2,138,620	\$ 92,371
Clinton	1,583,728	57,991
Danvers	6,881,630	244,979
Fairhaven	1,428,755	54,998
Falmouth	3,156,976	94,394
Haverhill	11,960,906	433,362
Hull	2,227,400	130,771
Lawrence	12,716,203	398,329
Lowell	17,658,768	489,120
Marlboro	3,766,255	98,785
Melrose	5,446,952	197,132
Milford	2,537,891	47,689
Milton	5,446,952	228,089
Natick	6,407,626	340,498
Needham	7,668,038	260,133

RETIREMENT SYSTEMS EXAMINED(Cont.)

	<u>ASSETS</u>	<u>SURPLUS</u>
New Bedford	\$19,498,774	\$ 722,124
Newburyport	2,188,814	51,147
Norwood	5,390,071	195,501
Peabody	9,671,198	290,175
Pittsfield	12,053,785	462,689
Quincy	24,692,108	795,671
Revere	7,922,352	211,762
Stoneham	4,347,301	153,513
Worcester	43,189,834	1,102,878
State Retirement	\$701,918,253	17,040,930
Mass. Port Authority	12,593,686	742,837

RETIREMENT

This section verified the pension allowances granted by the 104 Retirement Systems to their retiring employees in accordance with the provisions of Chapter 32.

Assets and liabilities were examined and evaluated in order to estimate costs for financing each of the systems. Proper appropriation for each county, city and town was then made on the basis of the findings and examination reported by the Section. Expenses incurred for each examination were reimbursed to the Commonwealth by the examinee.

The financial status of each system was determined on the basis of the extent of annuity reserves and interest rates credited to the retirement funds of the particular county, city and town.

The following schedule shows the number of retirees by system during 1981.

CITIES & TOWNS

Adams	9	Greater Law. San. Dist	0	Newburyport	18	Weymouth	38
Amesbury	16	Greenfield	9	Newton	66	Winchester	27
Andover	21	Haverhill	58	North Adams	16	Winthrop	10
Arlington	47	Hingham	15	Northampton	18	Woburn	16
Athol	14	Holyoke	49	North Attleboro	18	Worcester	212
Attleboro	26	Hull	6	Northbridge	4	State	2700
Belmont	13	Lawrence	67	Norwood	14	Teachers	<u>1521</u>
Beverly	45	Leominster	15	Peabody	61	TOTAL	8547
Blue Hills Reg. School	1	Lexington	29	Pittsfield	53	<u>COUNTIES</u>	
Boston	1102	Lowell	67	Plymouth	26	Barnstable	115
Braintree	38	Lynn	117	Quincy	124	Berkshire	27
Brockton	59	Malden	51	Reading	16	Bristol	105
Brookline	51	Marblehead	26	Revere	43	Dukes	10
Cambridge	114	Marlborough	14	Salem	69	Essex	95
Chelsea	28	Mass. Houseing Finance Agcy	3	Saugus	10	Franklin	28
Chicopee	53	Mass. Port Authority	13	Shrewsbury	27	Hampden	87
Clinton	6	Mass Turnpike Authority	43	Domerville	110	Hampshire	43
Concord	15	Maynard	2	Southbridge	7	Middlesex	300
Danvers	10	Medford	43	Springfield	178	Norfolk	180
Dedham	13	Melrose	29	Stoneham	15	Plymouth	179
Easthampton	17	Methuen	18	Swampscott	18	Worcester	<u>176</u>
Everett	45	Milford	19	Taunton	42	TOTAL	1345
Fairhaven	10	Milton	16	Wakefield	30	Grand	<u>9892</u>
Fall River	99	Montague	5	Waltham	62	Total	<u><u>9892</u></u>
Falmouth	20	Natick	23	Watertown	29		
Fitchburg	39	Needham	29	Webster	6		
Framingham	46	New Bedford	89	Wellesley	21		
Gardner	12			Westfield	27		
Gloucester	20			W. Springfield	30		

SPECIAL INVESTIGATION

This section investigated violations of insurance laws reported by the public and particular matters referred to it by the Commissioner. This year a special effort was made with respect to policies sold to the elderly - those policies supposedly extending Medicare coverages. As a result of the investigations, a considerable number of unfair and deceitful practices were discovered where duplication or inferior coverages were sold either directly or as replacement to elderly consumers. Evidence was collected which tended to indicate that serious problems existed; that abuses existed not only with respect to misrepresentation of the insurance service offered but also discovered was some intimidation and outright larceny by a group of agents preying upon senile senior citizens.

Collected evidence was referred to the Legal Section for administrative action at the Division level against licensees found to have been involved and to the Attorney General and Federal authorities where criminal activity was discovered.

As a consequence of this activity, Massachusetts residents recovered more than \$95,000 in premium refunds. The Commonwealth received some \$5,000 in penalty payments from Agents and Brokers and the Attorney General recovered additional money for unwary consumers. These refunds and restitutions were in addition to recoveries reported by the Consumer Service Section.

THE STATE RATING BUREAU - (SRB)

The SRB was established by Chapter 728, Acts of 1975 and is responsible to the Commissioner of Insurance for rate recommendations for automobile insurance and for homeowner coverage, and for such other rate reviews as the Commissioner assigns.

The Bureau is divided into various sections made up principally of actuaries and analysts for Life, Accident and Health, Property, Casualty and Inland Marine Insurance.

The SRB participated in or assisted the Commissioner and the other sections of the Division in the following areas of concern:

1. Automobile Rates for 1982 - The SRB prepared a filing of 15.5% for 1982 rates which recommendation was substantially below that which was proposed by the industry. The preparation of this filing was a major effort involving in-depth research with regard to every facet of the ratemaking process. Also involved was a thorough analysis of the industry filing, a technical document of over 500 pages. The SRB defended its filing during the rate hearing process which lasted several weeks. During the hearings, members of the SRB gave extensive testimony as expert witnesses regarding the various filings. Automobile insurance will generate premiums of over one billion dollars in 1982.
2. Medical Malpractice - The SRB had been involved in the annual process which results in the establishment of Medical Malpractice rates.
3. Open Competition for Commercial Automobile - The guidelines prepared by the SRB, allowed a smooth transition to competitive rates for Commercial Automobile Insurance. The SRB reviewed over 20 filings for rates to be effective July 1, 1981.

4. Automobile Territories - a refinement of Massachusetts' unique experience based territory system was implemented. Each town is assigned to an automobile rate territory based on its actual history of accidents, rather than merely where it is geographically located in the state. The refinements dealt with the problem of the limited amount of data available from the smaller towns, as well as the problem of how to incorporate the more volatile data from liability coverages.

5. Blue Cross/Blue Shield - The SRB provided expert testimony at public hearings held on rate increase requests of Blue Cross and Blue Shield (The Blues) for Medicare Supplement and non-group plans.

Policy Forms Section

The Policy Forms section reviewed over one thousand four hundred and fifty forms and over three thousand rate filings in the Property and Casualty Insurance area.

Also one thousand one hundred and fifty Individual Accident and Health forms were approved, while four hundred and thirty were disapproved. In addition four hundred and forty Accident and Health rate filings were accepted while one hundred and thirty one were disapproved.

Two thousand four hundred individual life and annuity forms were approved, while three hundred and fifty were disapproved. One thousand three hundred group life and annuity forms were approved, while one hundred and sixty were disapproved.

The Life Actuarial Section examined the actuarial assumptions in individual life and annuity forms submitted for approval and issuance in the Commonwealth of Massachusetts by seventeen domestic and two hundred seventy-eight foreign life insurance companies. It ensures that the benefits not only meet the minimum requirements of our General Laws, but that they are calculated in accordance with the method, interest rate assumptions, and mortality tables, as specified in the policy.

COMPANY ACTIVITY

Life Companies

<u>Name of Company</u>	<u>Date of License</u>
North American Life and Casualty Company Minneapolis, Minnesota	January 1, 1981
American Life and Casualty Insurance Col Fargo, North Dakota	April 10, 1981
Chub/Colonial Life Insurance Company of America Dover, Delaware	April 10, 1981
World Book Life Insurance Company Chicago, Illinois	April 10, 1981
General Services Life Insurance Company Washington, D.C.	May 15, 1981
Insuramerica Corp. Wichita, Kansas	May 15, 1981
United Standard Assurance Company Indianapolis, Indiana	May 15, 1981
Life Insurance Company of the Southwest Dallas, Texas	July 16, 1981
North American Life Assurance Company Toronto, Canada	July 16, 1981
Travelers Life and Annuity Company Hartford, Connecticut	September 1, 1981
INA Life Insurance Company Los Angeles, California	October 1, 1981
Amoco Life Insurance Company Omaha, Nebraska	October 27, 1981
Indianapolic Life Insurance Company Minneapolis, Minnesota	October 27, 1981
Omaha Financial Life Insurance Company Atlanta, Georgia	October 30, 1981
Resources Life Insurance Company Fort Lee, N.J.	September 30, 1981

Life Companies (cont'd)

Intercontinental Life Insurance Company Elizabeth, N.J.	December 1, 1981
MLL Penison Insurance Company Springfield, Massachusetts	December 1, 1981
Security-Connecticut Life Insurance Co. Avon, Connecticut	December 31, 1981
Kemper Investors Life Insurance Co. Chicago, Illinois	December 31, 1981

Property and Casualty Companies

Teachers Insurance Company Springfield, Illinois	February 12, 1981
Liberty Mortgage Insurance Company Madison, Wisconsin	February 23, 1981
The New Zealand Insurance Company Limited San Francisco, California	March 6, 1981
American Automobile Insurance Company of Illinois Chicago, Illinois	May 20, 1981
New England Guaranty Insurance Company, Inc. Montpelier, Vermont	May 20, 1981
MGIC Indemnity Corp. Milwaukee, Wisconsin	January 1, 1981
Colonial Penn Insurance Company of Philadelphia Philadelphia, Pennsylvania	June 4, 1981
United Guaranty Commercial Insurance Company of Iowa Bettendorf, Iowa	July 15, 1981
Republic Western Insurance Company Phoenix, Arizona	August 17, 1981
Heritage Insurance Company of America Lincolnwood, Illinois	September 18, 1981

Property and Casualty Companies (cont'd)

C.U. Homeland Insurance Company Boston, Massachusetts	September 29, 1981
Citation Insurance Company Webster, Massachusetts	November 6, 1981
Employers Reinsurance Corp Overland Park, Kansas	September 30, 1981
The Catholic Relief Insurance Company of America Omaha, Nebraska	December 1, 1981
General Electric Mortgage Insurance Corp. Cincinnati, Ohio	December 1, 1981
Mutual Service Casualty Insurance Company Arden Hills, Minnesota	December 1, 1981
Investors Mortgage Insurance Company Chicago, Illinois	December 31, 1981

Name Changes

<u>Company Name</u>	<u>Date Name Change Effective</u>	<u>New Company Name</u>
Security Life and Accident Company	July 15, 1981	Security Life of Denver Insurance Company
Premier Insurance Company	July 1, 1981	Transamerica Premier Insurance Company
Occidental Life Insurance Company of California	September 1, 1981	Transamerica Occidental Life Insurance Company
United Benefit Life Insurance Company	December 16, 1981	United of Omaha Life Insurance Company
The Artisans Life Insurance Cooperative Society	December 31, 1981	Cooperants Mutual Life Insurance Society

Reinsurers "b"

<u>Name of Company</u>	<u>Date Authorized</u>
Commercial Union Reinsurance Company Wilmington, Delaware	May 8, 1981
BLC Insurance Company Des Moines, Iowa	September 1, 1981
American Excess Insurance Company Wilmington, Delaware	October 20, 1981
Ohio Reinsurance Corp Celina, Ohio	October 30, 1981
San Francisco Reinsurance Company San Francisco, California	December 2, 1981

Reinsurers "b" - Name Change

<u>Company Name</u>	<u>Date Name Change Effective</u>	<u>New Company Name</u>
M.F.A. Mutual Insurance Company	July 1, 1981	Shelter Mutual Insurance Company

Surplus Lines Companies

<u>Name of Company</u>	<u>Date Approved</u>
Zurich American Insurance Company of Illinois Chicago, Illinois	March 6, 1981
Pacific Insurance Company	September 25, 1981

Surplus Lines - Name Change

<u>Company Name</u>	<u>Date Name Change Effective</u>	<u>New Company Name</u>
Commercial Union Surplus Lines Insurance Company	January 1, 1981	Falcon Insurance Co.
Cranford Insurance Company	January 1, 1981	American Special Risk Insurance Company

Mergers

Tiger Investors Mortgage Insurance Company merged into Investors Mortgage Insurance Company - January 31, 1981.

MGIC Indemnity Corp., New York, New York merged into MGIC Indemnity Company, Milwaukee, Wisconsin - January 1, 1981.

Allianz Minnesota Life Insurance Company merged into North American Life and Casualty Company - January 1, 1981.

American Agency Financial Corp merged into American Agency Life Insurance Company - September 30, 1981.

Resources Life Insurance Company, Wilmington, Delaware merged into Resources Life Insurance Company, Fort Lee, New Jersey - July 15, 1981.

Getty Reinsurance Corp merged into Employers Reinsurance Corp. - September 30, 1981.

Security-Connecticut Insurance Corp. merged into Security-Connecticut Life Insurance Company - December 31, 1981.

Kempers Investors Life Insurance Company, Los Angeles, California merged into General Accident Insurance Company of America - December 31, 1981.

Insurance Company's License Revoked

Proprietors Insurance Company
Delaware, Ohio

September 4, 1981

Insurance Companies - License Amendments

<u>Name of Company</u>	<u>Additional Lines</u>	<u>Effective Date</u>
Albany Insurance Co. New York, N.Y.	Fidelity and Surety Commercial Property	January 12, 1981
Birmingham Fire Insurance Company of Pennsylvania Pittsburg, Pennsylvania	Accident & Health	March 16, 1981
Preferred Mutual Insurance Company New Berlin, New York	Workers' Compensation	May 8, 1981
Calvert Fire Insurance Company Philadelphia, PA	Ocean, Inland Marine, Boiler (No Inspector) Liability other than auto. Glass, Burglary, Robbery, Theft, Commercial Property.	May 27, 1981

Insurance Companies - License Amendments (cont'd)

<u>Name of Company</u>	<u>Additional Lines</u>	<u>Effective Date</u>
Mission Insurance Company Los Angeles, California	Fidelity and Surety	September 14, 1981
National Insurance Underwriters	Liability other than auto, Comp. M.V. and aircraft restricted to aircraft only	September 28, 1981
Mass. Casualty Insurance Company Boston, MA	Reinsurance except life	October 28, 1981
American Protection Insurance Company Long Grove, Illinois	Workers' Compensation Liability other than auto	November 4, 1981
Bay State Insurance Company Andover, MA	Commercial property	November 10, 1981
Agricultural Insurance Company Cincinnati, Ohio	Auto liability	November 30, 1981
The National Investors Life Insurance Company Little Rock, Arkansas	Accident & Health	December 10, 1981
Potomac Insurance Company Philadelphia, Penn.	Worker's Compensation Auto Liability	December 10, 1981

Insurance Companies ordered to Cease From Transacting All Business in Massachusetts
During 1981

<u>Name of Company</u>	<u>Date</u>
Reliable Life and Casualty Co. Madison, Wisconsin	September 15, 1981

Insurance Companies Ordered to Cease Writing New Business In Massachusetts
Until Further Notice Because of Financial Condition

<u>Name of Company</u>	<u>Date</u>
Foundation Life Insurance Company of America Chatham, New Jersey	March 3, 1981
National Insurance Underwriters St. Louis, Missouri	April 1, 1981
Merchants Mutual Insurance Company Buffalo, New York	March 25, 1981
Merchants Mutual Insurance Company of New Hampshire, Inc. Manchester, New Hampshire	March 25, 1981

H.M.O.'s Licensed - New

<u>Name of H.M.O.</u>	<u>Type</u>	<u>Date of License</u>
Family Health Plan of Mass. Inc.	I.P.A.	October 8, 1981
Tufts Associated Health Plan	I.P.A.	October 26, 1981

New Domestic Corporations

	<u>Licensed</u>
Citation Insurance Company	November 6, 1981
C.U. Homeland Insurance Company	September 29, 1981

**1981 — SUMMARY OF MASSACHUSETTS
DIRECT PREMIUMS AND NUMBER OF POLICIES
ISSUED AND IN FORCE FOR THE MAJOR LINES OF LIFE INSURANCE**

	Direct Premiums	Policies Issued	Policies in Force
Ordinary	745,113	10,428,788	45,730,423
Credit Life (Gr. & Ind.)	22,555	824,526	2,879,155
Group	219,347	8,994,542	50,594,677
Industrial	3,230	17,668	443,985
Total Life Insurance Including Annuity Considerations	1,291,890	20,265,525	99,648,240

(000) omitted

1981 — SUMMARY OF MASSACHUSETTS
ACCIDENT AND HEALTH INSURANCE EXPERIENCE

	Direct Premiums Written	Direct Premiums Earned	Direct Losses Paid	Direct Losses Incurred	W/P Loss Ratio	E/I Loss Ratio
Group	551,209	571,798	467,791	477,447	84.9	83.5
Credit (Gr. & Ind.)	7,046	6,079	3,771	3,675	53.5	60.5
Collectively Renewable	11,198	10,903	6,789	6,840	60.6	62.7
Non-Cancellable	37,856	35,483	15,163	21,678	40.1	61.1
Guaranteed Renewable	22,704	23,238	14,328	15,191	63.1	65.4
Other	24,311	24,312	14,888	16,992	61.2	69.9
Total	654,324	671,813	522,730	541,823	79.9	80.7

(00) omitted

1981— SUMMARY OF MASSACHUSETTS
MAJOR PROPERTY AND CASUALTY COVERAGES

	Premiums Written	Premiums Earned	Losses Paid	Losses Incurred	W/P Loss Ratio	E/I Loss Ratio
Fire	77,832	78,097	35,362	39,393	45.4	50.4
Allied Lines	27,191	26,377	15,014	10,722	55.2	40.7
Home Owners	405,677	386,801	173,611	179,674	42.8	46.5
Commercial Multi-Peril	226,317	221,875	99,975	129,672	44.2	58.4
Inland Marine	72,662	70,758	33,929	41,583	46.7	58.8
Workers Compensation	471,796	456,489	312,780	409,579	66.3	89.7
Auto No Fault (Private Passengers)	47,335	44,592	29,751	35,228	62.9	79.0
Auto No Fault (Commercial)	4,209	4,030	2,854	2,725	67.8	67.6
Auto Liability (Private Passengers)	571,620	534,349	338,071	402,113	59.1	75.3
Auto Liability (Commercial)	146,117	139,225	77,439	105,802	53.0	76.0
Auto Physical Damage (Private Passengers)	492,735	469,515	311,691	320,734	63.3	68.3
Auto Physical Damage (Commercial)	98,006	95,736	49,787	52,354	50.8	54.7
Other Liability	195,511	196,816	83,359	129,685	42.6	65.9
(000) Omitted						